



United States Department of the Interior
BUREAU OF INDIAN EDUCATION
CHICHILTAH-JONES RANCH COMMUNITY SCHOOL
PO Box 278
Vanderwagen, New Mexico 87326

**Letter of Appeal - Request for Review
CC Docket No. 02-6**

Attn: Marlene H. Dorch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Dr
Capitol Heights, MD 20743

Decision Document: FCDL – Funding Year 2011–2012 (1/24/13)
Funding Year: 14 (2011-2012)
BEN: 99190
471 #: 815966
FRN: 2218751
SPIN: CamNet, Inc. 143017447

Entity Information:
Chi-Chil-Tah/Jones Ranch
P.O. Box 278
Vanderwagen, NM 87326
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FCDL Date: 1/24/2013

FCDL Decision information:

*MR3: The amount of the funding request was changed from \$267803.38 to \$230076.13 to remove: the ineligible products for Cisco Bundle C2851-VSEC-CCME/K9 @ \$287.85, Cisco Footstand @ \$23.29, 2431 IP-AminET 110 @ \$1508.76, 4211 IPCV @ \$802.14 & **Associated Costs @ \$35105.21** totaling **\$37727.25**. (Bold added)*

OVERVIEW:

This is a letter to appeal the funding commitment decision above which correctly removed \$2,622.02 of ineligible hardware, but incorrectly removed \$35,105.21 or 100% of the associated installation costs. While only 2.8% of the Phone System and 4% of the Video Distribution system was found to be ineligible, 100% of their associated installation costs were inaccurately removed. Therefore we are requesting a revised cost allocation using USAC's recommended cost allocation methods which will leave enough installation labor to allow the eligible equipment to be installed thereby allowing vital network upgrades for our school. We only

learned of this incorrect deduction recently. Severe health issues with Jens Rossler, the Erate contact at the school, resulted in a delay in discovering this devastating reduction until past the 60 day appeal window. Please see below for more detail.

The removal of the 100% of the associated installation cost means that there are no labor hours left to install the related eligible equipment thus preventing the project from moving forward. The loss of this project means that our school will be unable to perform the upgrade of our network infrastructure which is so desperately needed to provide adequate internet access for our students' education.

We are bringing this appeal directly to the FCC as we realize we are beyond the 60 day time limit with USAC. I am the Erate Contact for our school and have been severely ill and missed over four months of work over the past year during which I underwent quadruple bypass heart surgery. I am still on very limited duty as per doctor's orders and only work at the school two to three days per week. Due to my illness and prolonged absence from the school, I was unaware of the funding commitment decision and the fact that all of the installation time had been incorrectly removed until early December 2013. The school does not have any other Erate contact who would have received the USAC correspondence. I hope that you will please consider my situation and our schools' needs and the justification below to return this vital funding to our school.

DETAILED EXPLANATION:

During the PIA process, our reviewer identified the following ineligible costs:

- 1) Cisco VOIP Phone System (Please see exhibit 1 below)
 - a. \$287.85 of ineligible costs from the Cisco Integrated Router (Part # C2851-VSEC-CCME/K9)
 - b. \$23.29 for the ineligible "Foot Stand" (Part # CP-SINGLFOOTSTAND)
- 2) Video over IP Distribution (Please see Exhibit 2 below)
 - a. \$1508.76 for Blonder Tongue IP-to-RF Set top box PN 2431 IP-AmiNET110
 - b. \$802.14 for Blonder Tongue IP ClientViewer software CD & 50 licenses PN 2411 IPCV

TOTAL \$2,622.02

The school agreed to these reductions as noted in the PIA review dated Due 10-30-2012.

The FCDL notes these deductions in the amount of \$2,622.02 of ineligible equipment. The FCDL however also includes a deduction of \$35,105.21 that was not mentioned in the PIA review and was not approved by the school. It is entirely possible that the reviewer sent a second follow-up PIA request to the school, which went unanswered due to my health issues and prolonged absence from the school.

Here is a summary of the Installation costs that were incorrectly removed

1	Installation, configuration, testing documentation, travel and per diem	\$ 9,231.38
1	Taxes for VOIP Phone System	\$ 646.20
1	Onsite installation, project management, full as-builts in hardcopy/electronic PDF and 8 hrs basic training	\$ 17,313.92
1	Taxes for Video Distribution	\$ 1,211.97

1	6% contingency for unknown adds/moves/changes and to cover cost variances	\$ 6,201.74
	Total	\$34,605.21
	Unaccounted for funds	\$ 500.00
	Grand Total	\$35,105.21

Exhibit 1

PBX - Phone/Voice System			
Cisco Phone System - Small School			
1 Cisco 2851 VOIP Phone System Bundle	Cisco	C2851-VSEB-CCMEW9	\$5,757.00
18001M - Cisco 2800 ADVANCED IP SERVICES PWR-2821-51-AC - Cisco 2821/51 AC power supply MEM2851-256U612D - 256 to 512MB DDR DRAM factory upgrade for the Cisco 2851 PL-CUE-NR-PORT-2 - Unity Express License - Non Re-hostable - 2 Port PL-CCME-100 - Fast Lic Communications Manager Express Up To 100 users ISR-CCP-CD - Cisco Config Professional on CD, CCP-Express on Router Plus PVD112-40 - 40-Channel Packet Voice/Fax DSP Module MEM2800-64U128CF - 64 to 128 MB CF Factory Upgrade for Cisco 2800 Series PL-CUE-NR-PORT-2 - Unity Express License - Non Re-hostable - 2 Port CCX-80-CCME-BUNDLE - CCX 8.0 2 Seat CCX ENH CCME Bundle - AVAILABLE ONLY WITH CME ACS-2821-51-STAN - Cisco 2821/51 Standard Accessory Kit			
1 Cisco Unity Express Network Module - Enhanced (5 Ports)	Cisco	NM-CUE	\$1,800.00
1 Cisco Unity Express Base Release (Latest release)	Cisco	SCUE-NME-7.1-K9	\$300.00
1 Cisco 50 Mailboxes 100 users	Cisco	SCUE-LIC-50CME	\$300.00
1 Cisco Unity Express - North American English	Cisco	CUE-LANG-ENU	\$0.00
1 Four-port Voice Interface Card - FXO (Universal)	Cisco	VIC2-4FXO	\$480.00
20 Cisco IP User license	Cisco	SW-CCME-UL-79XX	\$113.68
Because of Erate program changes, Cisco SmartNet Contracts have been replaced by the "Cisco Erate Services Bundle" which includes 1 year of Technical Support, Software updates and 3 years of Advanced Hardware Replacement. This is included on all new Cisco Equipment.			
1 Cisco SmartNet	Cisco		\$23.29
Attendant Console Group			
1 Cisco 7962 IP Phone set	Cisco	CP-7962G	\$334.56
1 CISC0 7915 IP P-HONE EXPANSION MOD FOR 7962	Cisco	CP-7915=	\$250.84
1 Cisco Footstand	Cisco	CP-SINGLEFOOTSTAND	\$23.29
1 Cisco Power	Cisco	CP-PWR-CUBE-3=	\$31.76
1 Cisco Power cord	Cisco	CP-PWR-CORD-NA	\$7.08
1 Installation, configuration, testing documentation, travel and per diem			\$9,231.38
1 Taxes for VOIP Phone System			\$646.20
Subtotal For VOIP Phone System			\$21,135.89

School agreed to reduce by \$287.85 for ineligible items.

School agreed to deduct \$23.29 for ineligible item.

Entire amount of Install for the phone system was incorrectly removed along with tax leaving the school with the costs to install all the remaining eligible portions of this part of the project.

Exhibit 2

1 hardcopy/electronic PDF, cabling to meet TIA, EIA and BICSI standards for installation, procedure and quality.		\$40,240.38	\$40,240.38
1 Taxes for Network Cabling		\$2,816.83	\$2,816.83
Subtotal For Network Cabling		\$43,057.21	\$43,057.21
VIDEO over IP Distribution			
5 Bonder Tongue IP to RF cabling box with remote control	2425 IP AviaNET-110	\$201.75	\$201.75
4 Bonder Tongue IP Client/Power software CD & 80 licenses	2411 IPCLV	\$802.34	\$802.34
4 Bonder Tongue IPTV MPEG-2 Encoder	2420 IPME-2	\$1,543.75	\$1,543.75
2 Bonder Tongue Chassis and power supply	2419 IPME-CH	\$380.81	\$721.81
1 Misc. Hardware and Consumables		\$500.00	\$500.00
1 Onsite installation, project management, full as-builts in hardcopy/electronic PDF and 8 hrs basic training		\$17,313.92	\$17,313.92
1 Taxes for Video Distribution		\$1,211.97	\$1,211.97
Subtotal For Video over IP		\$28,233.76	\$28,233.76
1 5% contingency for unknown adds/moves/changes and to cover cost variances		\$6,201.74	\$6,201.74
GRANDTOTAL		\$267,803.38	\$267,803.38

School agreed to deduct \$2,310.90 for ineligible items listed below.

Entire amount of Install for the VIDEO over IP Distribution was incorrectly removed along with tax leaving the school with the costs to install all the remaining eligible portions of this part of the project.

Contingency fee is not associated with any of the ineligible items. It is in its own section to be used only in association with cabling per CamNet Inc.

REQUESTED REVISION TO COST ALLOCATION

We are requesting an appeal of the funding commitment decision which resulted in the removal of \$35,105.21 of installation costs. Our appeal is based on widely accepted cost-allocation methods and is as follows:

Phone System (Exhibit 1)

We suggest that a more accurate cost allocation should be based on the percentage the ineligible portion represents of the total equipment cost listed above. The total cost of the equipment listed above is \$11,258.31.

Therefore $\$311.14$ (for ineligible phone portion and footstand) / \$11,258.31 (total cost of equipment) = .028 or 2.8% of the cost of the total equipment.

2.8% of ineligible equipment * \$9,231.38 (Installation Charges) = \$255.12

2.8% of ineligible equipment * \$646.20 (tax) = \$17.86

We find it reasonable to remove \$258.49 (ineligible install) + \$18.93 (tax) = $\$272.98$ to cover the costs for install & tax on the very small cost (2.8%) of the items that were deemed ineligible.

Video over IP Distribution System (Exhibit 2)

As for the VIDEO over IP Distribution, the two items that were found to be ineligible have virtually no installation time associated with them. The vast majority of the time is spent installing and configuring the encoders to allow video streaming over the network.

Ineligible Items:

VIDEO over IP Distribution			
5	Blonder Tongue IP-to-RF set-top box with remote control	2431 IP-AmiNET110	\$301.75
1	Blonder Tongue IP ClientViewer software CD & 50 licenses	2411 IPCV	\$802.14

The licenses (2411IPCV) are a piece of paper which requires no installation time at all. The “Set Top Boxes” (2431IP-AmiNET110) are a stand-alone appliance about the size of a small cable TV box which has two cables attached and is placed on top of a television. The associated setup time is less than 15 minutes per box but in order to be abundantly conservative, we will allocate an hour per box – 5 hours total. We suggest a cost allocation as follows:

- A reduction of 5 hours for installation labor associated with the Set To Boxes: $\$95 * 5 = \475 .
- A total of 132.7 hours were allocated for the Video Distribution installation. Therefore: $5/132.7 = .0376$ or rounded up to 4% of the installation time. We will also reduce the travel & per diem & project management cost by 4%
- 4% of \$1462.70 (travel) and \$1573.98 (PM) = $\$121.47$
- 4% of Taxes $\$1211.74 * 4\% = \48.47
- 5 hours plus associated travel & PM costs and taxes: $\$475 + \$121.47 + 48.47 = \$644.94$

Item	Mileage: Rd Trp	# of days	# of Techs	# of Trips	# Over: nights	# of Hours	Overnight Cost	Food Charge	Total Trip Charge	Rate	Install	PM	Total
Server Installation	310	2	2	1	1	32	100	200	\$ 687.17	\$ 95.00	\$ 3,040.00	\$ 412.22	\$ 4,534.38
Network Electronics	310	3	3	1	2	72	450	450	\$ 945.50	\$ 145.00	\$ 10,440.00	\$ 1,243.05	\$ 13,673.55
Phone & Voice	310	3	2	1	2	48	300	300	\$ 687.17	\$ 145.00	\$ 6,960.00	\$ 839.22	\$ 9,231.38
Cabling	310	8	5	1	7	320	2625	2000	\$ 1,462.17	\$ 95.00	\$ 30,400.00	\$ 3,658.22	\$ 40,240.38
Video Distribution	310	3	5	1	2	132.7	750	829.175	\$ 1,462.17	\$ 95.00	\$ 12,603.46	\$ 1,573.98	\$ 17,313.78

Therefore we suggest that a reasonable cost allocation for the ineligible portion of the Installation, Travel, Project Management and taxes for Video Distribution is to remove \$644.94 from the Video Distribution Installation cost.

As for the contingency fee, this is an eligible item. The contingency fee is a common item and is solely associated with cabling. Because there is no cabling in either the VOIP phone system or the VIDEO over IP Distribution, it should not have been removed. If you will please review the entire document “Chi Chil Tah-Y15 IC-Appeal Documentation FCC” you will see that each section is totaled out and the contingency fee is its own separate category at the very bottom.

Therefore, we request that the total costs to account for the ineligible portion of the ineligible equipment be revised to **\$917.92**.

1	VOIP Phone System – Associated ineligible installation costs	\$272.98
1	Video Distribution – associated ineligible installation costs	\$644.94
	Grand Total	\$917.92

CONCLUSION

In conclusion, the school agreed to the reduction of \$2,622.02 for the ineligible equipment, but did not agree to the reduction of \$35,105.21 of associated installation costs. The removal of 100% of the installation costs means that the project cannot move forward and none of the eligible equipment can be installed. Therefore we are requesting a revised cost allocation using USAC's recommended cost allocation methods which will leave enough installation labor to allow the eligible equipment to be installed therefore allowing vital network upgrades for our school. Our cost allocation reduces the associated ineligible installation costs from \$35,105.21 to \$917.92; therefore, we are requesting that FRN 2218738 be increased from \$230,076.13 to \$264,263.42 to account for reinstated installation costs associated with the eligible equipment, and the eligible contingency fee.

Please consider my medical situation and the data provided. We would greatly benefit by having the opportunity to change the "associated costs" from a project-stopping amount of \$35,105.21 to a much more reasonable amount of \$272.98 for the VOIP phone system and \$644.94 for the VIDEO over IP Distribution, totaling \$917.92.

Thank you kindly for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jens E. Rossler", written over a horizontal line.

Dr. Jens E. Rossler
Head Teacher
ChiChilTah/Jones Ranch